

Condition Number: 20**Condition Name: NRIC Participation****Section 1: Summary**

Condition 20 requires that Verizon continue to participate in the Network Reliability and Interoperability Council ("NRIC"), or a successor organization, if any.

Commitments for this Condition required in 2000 were met as specified below.

Section 2: Responsible Executive

Name	Title
Mark Wegleitner	Senior Vice President – Technology and Chief Technology Officer

Section 3: Implementation of Condition**3.1 Compliance**

Verizon's representative and Responsible Executive for this Condition, Mark Wegleitner, Vice President – Network Services, attended the meeting of the Network Reliability and Interoperability Council V (NRIC V) that occurred on August 23, 2000. The meeting provided an overview of the working structure of NRIC, consisting of the Steering Committee and four major Focus Groups. These included Focus Group 1, Y2K, and Focus Group 2, Network Reliability. Focus Group 2 has four subcommittees: A1, Best Practices; A2, Best Practices Packet Switching; B1, Data Reporting and Analysis; and B2, Data Reporting and Analysis for Packet Switching. The two additional focus groups are Focus Group 3, Wireline Network Spectral Integrity; and Focus Group 4, Interoperability. Verizon designated appropriate staff members to participate in each of the Focus Groups.

Focus Group 1 provided a summary of its findings at the August 23, 2000, NRIC V meeting. After August 2000, Focus Group 1 was not active in 2000 since Y2K conversion was successfully completed at the end of 1999.

After merger close, Focus Group 2 held five meetings in 2000; July 14, 2000, August 30, 2000, October 12, 2000, October 13, 2000, and December 1, 2000. Verizon was represented at each of these sessions.

After merger close, Focus Group 3 held three meetings in 2000; July 12-13, 2000, September 26-27, 2000, and November 8-9, 2000. Verizon was represented at each of these sessions.

Focus Group 4 held its initial meeting on December 7, 2000. Verizon was represented in that session.

Compliance Table

Condition	Paragraph	Milestone	Due Date	Date Completed
20	54	Attended NRIC V meetings.	on-going	8/23/00
20	54	Attended NRIC V Focus Group 2 meetings.	on-going	7/14/00 8/30/00 10/12/00 10/13/00 12/01/00
20	54	Attended NRIC V Focus Group 3 meetings.	on-going	7/12-13/00 9/26-27/00 11/8-9/00
20	54	Attended NRIC V Focus Group 4 meetings.	on-going	12/07/00

3.2 Methods and Procedures

A work plan has been developed in conjunction with the Merger Compliance organization to document the merger requirement and to track Verizon's continued NRIC participation.

Individuals required to attend NRIC meetings on behalf of Verizon have been informed of the requirement to have Verizon participation at NRIC meetings and their requirement to document their participation.

3.3 Training

No special training for the Condition was required. Individuals responsible for attending have been informed of the Merger Condition and their associated responsibilities.

3.4 Internal Controls

In addition to the corporate internal control environment described in the Introduction section of this Report, the following additional controls and tools have been designed and implemented specifically to assess compliance with this Condition:

- directed employees currently participating in NRIC, including the Focus Groups, to continue their participation on behalf of Verizon;
- regular follow-up with Verizon NRIC representatives regarding continued participation in NRIC; and
- regular documentation of the Verizon NRIC participants reviewed for accuracy and completeness.

3.5 Documentation

Condition	Paragraph	Description of Document
20	54	Minutes of August 23, 2000 NRIC V meeting
20	54	Minutes of NRIC Subcommittee 2.B1 07/14/00 meeting
20	54	Minutes from NRIC V Subcommittee 2.B1 08/30/00 meeting
20	54	Notes from NRIC V Subcommittee 2.A2 October 12, 2000 meeting
20	54	Minutes from NRIC V Subcommittee 2.B1 10/13/00 meeting
20	54	Minutes from NRIC V Focus Group 2.B1 12/01/00 meeting
20	54	Notes from NRIC V Focus Group 3 07/12-13/00 meeting
20	54	Notes from NRIC V Focus Group 3 09/26-27/00 meeting
20	54	Notes from NRIC V Focus Group 3 11/08-09/00 meeting
20	54	Notes from NRIC V Focus Group 4 December 7, 2000 meeting

Section 4: Additional Action Taken

None

Condition Number: 21**Condition Name: Compliance Program****Section 1: Summary**

Condition 21 requires Verizon to appoint a senior corporate compliance officer to monitor implementation of, and compliance with, FCC Conditions for Merger. This officer carries the following responsibilities:

- developing and monitoring the compliance program and Verizon's progress towards meeting the conditions;
- reporting to the FCC regarding compliance with these Conditions;
- providing the Compliance Plan due no later than MCD + 60 days;
- oversight of the timely payments process;
- consulting with the Chief of the Common Carrier Bureau and/or his/her designees regarding compliance with these Conditions;
- providing copies of notices to the FCC or any state commission to the independent auditor(s) as required;
- consulting with independent auditor(s) regarding Verizon's progress toward compliance with these Conditions; and
- providing this Annual Compliance Report document due on March 15, 2001.

Commitments for this Condition required in 2000 were met as specified below.

Section 2: Responsible Executive

Name	Title
Jeffrey W. Ward	Senior Vice President – Regulatory Compliance

Section 3: Implementation of Condition**3.1 Compliance**

Ivan Seidenberg, President and Co-Chief Executive Officer, has appointed Jeffrey W. Ward as Senior Vice President-Regulatory Compliance, to serve as the Senior Corporate Regulatory Compliance Officer, and Randal S. Milch, Senior Vice President and Deputy General Counsel, to provide legal advice and support relative to merger compliance. Mr. Seidenberg has assigned oversight responsibility to the Board's Audit Committee. As discussed in the Introduction section of this report, Mr. Ward, in turn, delegated responsibility for each individual Merger Condition to a senior executive manager who, as the Responsible Executive for the Condition, is personally accountable for compliance with that Condition. To facilitate the day-to-day program management of all merger compliance activities and to provide the Responsible Executives and Compliance Managers for Merger Conditions with regulatory experts, Mr. Ward has established the Regulatory Compliance Organization. Together, Mr.

Ward, Mr. Milch, the Senior Leadership of the Regulatory Compliance Organization, the Responsible Executives and their Compliance Managers constitute the Executive Management Compliance Council (EMCC) that meets or confers by conference call on a regular basis to discuss the status of compliance activities. Each Responsible Executive is not only responsible for implementing the Conditions, but for notifying Mr. Ward of resource needs and potential problems that could, if not resolved, result in delayed compliance.

A structured project management environment has been established to aid in the management and tracking of deliverables associated with each Condition. Each requirement has been defined and documented and a process to track completion of all tasks has been established. Information on compliance plans and performance is shared across all authorized Verizon executives and their compliance teams and was updated weekly during the second half of 2000.

The status of the Merger Compliance Program was briefed routinely to Verizon's senior management during the second half of 2000. In addition, the Verizon Management and Board of Directors Audit Committees were briefed on the status and issues in August and October 2000.

In addition, a Merger Compliance Office Library has been established to maintain essential completion documentation. Documentation is retained for each Condition as tasks critical to compliance are completed. The Merger Compliance Office Library is split between New York City and Dallas per the independent auditors' request to allow them satisfactory access to the documents. The Merger Compliance Office Librarian has provided the external auditors with all the Notices filed with the FCC through the date of this report related to compliance activities through December 31, 2000.

There were no payments due that were related to merger compliance activities through December 31, 2000. The work plans for the relevant Conditions in the Merger Compliance database contain tasks to track any payment requirements to provide that they are made on a timely basis, if needed.

Compliance Table

Condition	Paragraph	Milestone	Due Date	Date Completed
21	55.a	Appointed a senior corporate regulatory compliance officer to monitor implementation of, and compliance with FCC Conditions, provide required reports to FCC and consult with the Chief of the Common Carrier Bureau.	7/17/00	6/29/00
21	55.b	Submitted plan for compliance with merger Conditions to Common Carrier Bureau Audit Staff and filed letter providing notice of filing with Secretary of FCC.	8/29/00	8/29/00

Condition	Paragraph	Milestone	Due Date	Date Completed
21	55.c	Submitted Annual Merger Conditions Compliance Report.	3/15/01	3/15/01
21	55.a	Audit Committee of Verizon Board of Directors must oversee the senior corporate regulatory compliance officer's fulfillment of FCC merger Conditions.	ongoing	on-going, formal meetings held on 8/3/00 and 10/24/00
21	55.a	Senior corporate regulatory compliance officer provided copies of all notices Verizon provides to the FCC or a state commission to the independent auditor required under ¶ 56 and consult with auditor regarding progress towards meeting Conditions.	6/30/00 and ongoing until sunset	on-going

3.2 Methods and Procedures

The following methods and procedures have been implemented to meet the requirements of this Condition.

Methods and Procedures Table

Condition	Paragraph	Procedure	Date Completed
21	55.a	Merger Compliance Office Database Website Quality Control Process and Update Cycle Schedule	6/30/00
21	55.a	Merger Compliance Office Database Website Change Control Process	8/28/00 and on-going
21	55.a	Potential Payment Schedule	7/17/00
21	55.a	Schedule of Notices to be filed	7/17/00
21	55.a	Merger Compliance Office Library Procedures	7/26/00
21	55.a	Merger Compliance Office Database/ Website User Guide	8/29/00
21	55.a	Merger Compliance Office Database/ Website Compliance Manager Update Process	8/29/00
21	55.b	Verizon Merger Compliance Plan	8/29/00

3.3 Training

The following training took place in support of this Condition.

Training Table

Condition	Target Audience	Training Content	Date Completed
21	Responsible Executives, Compliance Managers, and employees	Merger Condition requirements	6/30/00

Condition	Target Audience	Training Content	Date Completed
21	Responsible Executives and Compliance Managers	Internal Controls Workshops with PricewaterhouseCoopers LLP	7/27/00
21	Compliance Managers and their Staff	Training on Merger Compliance Database Process	7/00 on-going

3.4 Internal Controls

In addition to the corporate internal control environment described in the Introduction section of this Report, the following additional controls and tools have been implemented specifically to assess compliance with this Condition:

- provided Internal control workshops presenting / explaining definition of internal control with Compliance Managers and key management responsible for merger compliance;
- established program Management infrastructure to communicate, monitor and track all compliance related deliverables;
- developed notice communication follow-up process to provide required copies to independent auditors;
- obtained senior level acknowledgement and assertion of ownership of individual Conditions; and
- held periodic meetings with independent auditors, CCB and Verizon Board of Directors Audit Committee.

3.5 Documentation

Condition	Paragraph	Description of Document
21	55a	Senior Corporate Regulatory Compliance Officer appointment documented via a correspondence from Ivan Seidenberg, President and Co-Chief Executive Officer
21	55.a	Audit Committee of Verizon Board of Directors oversight of senior corporate regulatory compliance officer established via Action of Verizon Board of Directors. Documentation of Mr. Ward's presentations to the Audit Committee
21	55.b	Compliance Plan submitted to CCB Audit Staff

Section 4: Additional Action Taken

None

Condition Number: 22**Condition Name: Independent Auditor****Section 1: Summary**

Condition 22 required Verizon to engage an independent auditor prior to MCD, to conduct an examination resulting in a positive opinion (with exceptions noted) regarding Verizon's compliance with all the Merger Conditions and the internal controls designed to achieve compliance. The first annual audit under this Condition excluded compliance with Conditions 8 and 13, which were the subject of separate attestations.

Verizon was also required to engage an independent auditor, prior to merger close, to perform an examination of Verizon's divestiture of Genuity and ongoing compliance with the Genuity Conditions.

In addition, Verizon was required to engage an independent auditor, prior to merger close, to perform an agreed-upon procedures engagement regarding compliance with the separate Advanced Services affiliate requirements of Section I of the Merger Conditions.

Commitments for this Condition required in 2000 were met as specified below.

Section 2: Responsible Executive

Name	Title
Jeffrey W. Ward	Senior Vice President – Regulatory Compliance

Section 3: Implementation of Condition**3.1 Compliance**

Verizon complied with the requirements of this Condition. In particular, Verizon engaged independent auditors deemed acceptable by FCC prior to the MCD as follows:

- Genuity Audit – Mitchell & Titus, LLP;
- Advanced Services agreed-upon procedures engagement – PricewaterhouseCoopers LLP; and
- General Merger Conditions Audit (except Conditions 8 and 13) – PricewaterhouseCoopers LLP;

The auditors selected have not been instrumental during the past twenty-four months in designing all or substantially all of the systems and processes under examination in the attestation engagement.

The independent auditors submitted preliminary audit programs to the FCC for review on a timely basis and informed the FCC of all matters required under the Merger Conditions during the Evaluation Period.

The independent auditors were provided access to the books, records, and operations of the Company as needed to fulfill the audit requirements of this section.

Susan H. Kennedy, Vice President – Merger Compliance, provided support to the independent auditors within her organization. Periodic meetings were held between Verizon and the independent auditors to facilitate audit planning and respond to requests for information. In addition, monthly meetings between the independent auditors, Verizon and the FCC were held to facilitate communication of audit progress.

Compliance Table

Condition	Paragraph	Milestone	Due Date	Date Completed
22	56	Engaged independent auditor acceptable to the Chief of the Common Carrier Bureau that will perform an audit of compliance with merger Conditions and sufficiency of internal controls.	6/30/00	6/30/00
22	56	Engaged independent auditor acceptable to the Chief of the Common Carrier Bureau that will perform an audit of the divestiture of Genuity and monitor ongoing compliance.	6/30/00	6/29/00
22	56, 57	Engaged independent auditor acceptable to the Chief of the Common Carrier Bureau that will perform an examination engagement regarding Advanced Services affiliate compliance.	6/30/00	6/30/00
22	56.a	Independent auditor submitted a preliminary audit program for compliance with the general merger Conditions engagement.	8/29/00	8/29/00
22	56.a	Independent auditor submitted a preliminary audit program for the divestiture of Genuity engagement.	8/29/00	8/29/00
22	56	Chief of Common Carrier Bureau, Verizon and independent auditor made good faith efforts to determine the procedures to be used in the Advanced Services affiliate agreed-upon – procedures engagement.	10/30/00	Good faith effort made by 10/30/00

3.2 Internal Controls

In addition to the corporate internal control environment described in the Introduction section of this Report, the following additional controls and tools have been designed and implemented specifically to assess compliance with this Condition.

- The Vice President - Merger Compliance is responsible for communication with the FCC and the independent auditors on audit program and resulting required availability of company books, records and subject matter experts.
- Where appropriate, documentation retention plans will be developed with independent auditors.
- Verizon audit point of contact has been named to coordinate the information and employee contacts the independent auditors require.
- Merger audit procedure has been implemented to enable independent auditors to obtain the interviews and information requested.

3.3 Documentation

Condition	Paragraph	Description of Document
22	56	Letter from Chief of CCB approving the selection of PricewaterhouseCoopers LLP for general merger conditions audit
22	56	Engagement letter for PricewaterhouseCoopers LLP general merger conditions audit
22	56, Appendix B	Letter from Chief of CCB approving the selection of Mitchell & Titus for the Genuity divestiture audit
22	56, Appendix B	Engagement letter for Mitchell & Titus Genuity divestiture audit
22	56, 57	Letter from Chief of CCB approving the selection of PricewaterhouseCoopers LLP for advanced services affiliate agreed-upon-procedures engagement
22	56, 57	Engagement letter for PricewaterhouseCoopers LLP Advanced Services affiliate agreed-upon-procedures engagement

Section 4: Additional Action Taken

None



Condition Number: 23
Condition Name: Enforcement

Section 1: Summary

Verizon is required to make any payments due under these Conditions within 10 business days of a determination by Verizon's Regulatory Compliance Officer, the Chief of the Common Carrier Bureau, the FCC, or an arbitrator, that payment is due. Disputes must be filed within 10 days of the date payment is due. If Verizon disputes the payment amount, the payment amount will be held in an interest-bearing account until a final and non-appealable FCC or judicial order.

There were no payments required related to merger compliance activities through December 31, 2000.

Section 2: Responsible Executive(s)

Name	Title
Jeffrey W. Ward	Senior Vice President – Regulatory Compliance

Section 3: Implementation of Condition

3.1 Compliance

There has been no determination that Verizon failed to comply with the Merger Conditions during the effective period of any Condition, and hence no enforcement action has been required.

3.2 Internal Controls

In addition to the corporate internal control environment described in the Introduction section of this report, the following additional controls and tools have been implemented specifically to assess compliance with this Condition.

- Program Management infrastructure has been established to communicate, monitor, and track compliance-related deliverables and the associated penalties.
- Other function specific education and training initiatives for each Condition has occurred.
- Merger Condition Responsible Executives and Compliance Managers have been informed of requirement to make payments in an accurate and timely manner.

3.3 Documentation

Condition	Paragraph	Description of Document
23	60	Schedule of potential non-compliance penalties with references to the applicable work plans

Section 4: Additional Action Taken

None

Condition Number: 24
Condition Name: Sunset

Section 1: Summary

Except where other termination dates are specifically established in the Merger Conditions, all Conditions, except for the Conditions requiring Verizon to provide Advanced Services through one or more separate affiliates, shall cease to be in effect 36 months after the Merger Closing Date.

There were no commitments required for this Condition in 2000.

Section 2: Responsible Executive

Name	Title
Jeffrey W. Ward	Senior Vice President – Regulatory Compliance

Section 3: Implementation of Condition

3.1 Compliance

There were no commitments required for this Condition in 2000.

3.2 Internal Controls

In addition to the corporate internal control environment described in the Introduction section of this Report, a program management infrastructure has been established to communicate, monitor, and track all compliance related deliverables and their mandated termination dates.

3.3 Documentation

Sunset dates that vary by Condition will be tracked and documented individually.

Section 4: Additional Action Taken

None

Condition Number: 25

Condition Name: Effect of Conditions

Section 1: Summary

Where both the Federal Conditions and state Conditions imposed in connection with the merger grant parties similar rights against Verizon, affected parties shall not have a right to invoke the relevant terms of the Federal Conditions in a given state if they have invoked a substantially related state Condition.

There are no Verizon commitments for this Condition.

Condition Name: Genuity

Section 1: Summary

Bell Atlantic and GTE were required to implement the initial public offering ("IPO") of Genuity in accordance with the FCC's order (Appendix B, Genuity Conditions). GTE exchanged its common stock for a new class of common stock of Genuity (Class B stock) representing a 9.5% interest in Genuity, and Genuity sold Class A stock representing 90.5% of its equity to public shareholders through the IPO. The merger closed after the IPO was completed.

Until Verizon eliminates section 271 restrictions in accordance with Appendix B and exercises its option to take ownership and control of Genuity, Genuity will be independent of Verizon.

Commitments for this Condition required in 2000 were met as specified below. A corrective amendment was added to the IT transition services agreement as described in Section 4: Additional Action Taken.

Section 2: Responsible Executives

Name	Title
Steven Zipperstein	Senior Vice President & Deputy General Counsel
Jeffrey W. Ward	Senior Vice President – Regulatory Compliance

Section 3: Implementation of Condition

3.1 Compliance

The Genuity Conditions were designed to be in large part self-executing. A portion of the conditions were met through the process of developing and offering the IPO to the public. As a result, Genuity and Verizon are separate, and not affiliated corporations. Accordingly, the corporation's Certificate of Incorporation and By-Laws, as well as other corporate documents (such as the Subscription and Recapitalization Agreement), were designed to satisfy the independence obligation. Genuity does not require Verizon's assistance in running its operations other than to the limited extent permitted under the transition services arrangements.

The following summarizes actions associated with the initial IPO and by Verizon to comply with these requirements:

Compliance Table

Condition	Paragraph	Milestone	Due Date	Date Completed
Genuity	Appendix B, Genuity Conditions Sect. III-Para. 16	Genuity established an independent board of directors. Before the IPO, Genuity elected 6 directors, including the CEO of Genuity and 4 independent directors with no prior relationship with GTE or Bell Atlantic. One director was elected by Class B (Verizon) shareholders.	Prior to MCD	6/26/00
Genuity	Appendix B, Genuity Conditions Sect. III, Para. 16	Within 90 days following the IPO, the 4 independent directors selected 7 additional directors with no prior relationship with Bell Atlantic or GTE.	IPO + 90 days	9/26/00 ⁵
Genuity	Appendix B, Genuity Conditions Sect. VI, Para. 23	Verizon hired Mitchell and Titus audit Verizon's compliance with the terms of the Genuity Conditions.	Prior to MCD	6/29/00
Genuity	Appendix B, Genuity Conditions Sect. III, Para. 17	From the MCD through December 31, 2000, Verizon has provided no debt financing to Genuity and is in compliance with the obligation to provide no more than 25% of aggregate debt financing that Genuity is permitted to incur.	Start Date: MCD	Ongoing
Genuity	Appendix B, Genuity Conditions Sect. V, Para. 20-22	Verizon carries out commercial relationships with Genuity based on commercially reasonable contracts (see section 4 of this report).	Start Date: MCD	Ongoing
Genuity	Appendix B, Genuity Conditions Sect. V, Para. 22	Verizon has provided transitional services to Genuity in accordance with Attachment 2 to Appendix B.	Start Date: MCD	Ongoing
Genuity	Appendix D, Marketing Opening Conditions	Verizon provided service quality reports to the FCC and the independent auditor.	8/29/00	Ongoing
Genuity	Appendix B, Genuity Conditions Sect. II, Para. 3-15	Verizon has not converted any Class B stock or increased its equity interest in Genuity at this time.	Start Date: MCD	Ongoing

⁵ Compliance with this item is based on a certification provided by Genuity. See Memorandum from Ira H. Parker, Senior Vice President and General Counsel, Genuity Inc., to Steven Zipperstein, Senior Vice President and Deputy General Counsel, Verizon (Nov. 6, 2000).

Condition	Paragraph	Milestone	Due Date	Date Completed
Genuity	Appendix B, Genuity Conditions Sect. IV, Para. 18 & 19	Verizon has voted Class B shares in accordance with investor safeguards. Verizon was not asked by Genuity to consent, and did not consent, to Genuity's acquisition of a traditional voice long-distance provider.	Start Date: Prior to MCD	Ongoing
Genuity	Appendix B, Genuity Conditions Sect. III, Para. 16	The Class B director, who represents Verizon, did not vote at Genuity board meetings until Genuity had at least 10 directors. The Class B director has at no time served as the chairman of the board.	Start Date: Prior to MCD	Ongoing

3.2 Methods and Procedures/ Internal Controls

Verizon has implemented a three-element plan to reasonably achieve compliance with Genuity Conditions set forth in the merger order.

First, Verizon senior management appointed management coordinators for Verizon business units that deal or will likely deal with Genuity matters. These managers are primarily accountable for reasonably ensuring understanding of and compliance with Genuity Conditions, including IPO, independence, financing, and transactional conditions, in their respective business units. They also have counsel available to them to resolve issues arising under the Genuity conditions. Finally, they will be responsible for providing quarterly compliance reports on Genuity compliance to the compliance oversight committee described below.

Second, Verizon established a compliance oversight committee comprised of senior management, regulatory compliance management and counsel. This group meets weekly to review compliance status, to develop and oversee implementation of compliance initiatives, and to identify and resolve issues arising under the Genuity Conditions. Many of the initiatives developed by this group are implemented through the management coordinators.

Third, Verizon, through the compliance oversight committee, counsel, and regulatory compliance management, developed and disseminated to responsible management, including the management coordinators, training, procedures, and guidelines on Genuity Conditions and compliance with such conditions.

During 2000, the above process generated the following six key methods/rule summaries, which were used to educate targeted Verizon employees on their obligations and establish tracking processes to meet these obligations.

Methods and Procedures Table

Condition	Paragraph	Procedure	Date Completed
Genuity	Appendix B, Genuity Conditions	<u>Executive Notice on Genuity Obligations</u> Early communication with notice to all executives describing post merger obligations regarding Genuity	7/7/00
Genuity	Appendix B, Genuity Conditions Sect. V, Para. 22	<u>Rules of Transition</u> Instructions sent to those responsible for transitional agreements addressing their responsibility for providing the transitional service per the terms of the contractual services, applicable billing of the service to Genuity, plans to terminate the service and instructions to address compliance matters. Included final copy of Statement of Work and copies of the merger order	10/5/00
Genuity	Appendix B, Genuity Conditions Sect. V, Para. 22	<u>Billing for Transition Services</u> Method utilized to provide reasonable assurance that billing for the transition agreements was accomplished. Included responsibility to review billing and payment documents so that billing to Genuity was performed as required	9/12/00
Genuity	Appendix B, Genuity Conditions Sect. V, Para. 20	<u>Rules for Real Estate and IP Services</u> Instructions sent to those responsible for certain services in place at the merger close addressing their responsibility for providing the service. Included final copy of Statement of Work and copies of the merger order	10/23/00
Genuity	Appendix B, Genuity Conditions Sect. V, Para. 21	<u>Summary of the Purchase, Resale and Marketing Agreement</u> Summary of agreement as tool for managers and counsel involved with potential transactions under the agreement	10/11/00 (legal) 10/23/00 (managers)
Genuity	Appendix B, Genuity Conditions Sect. V, Para. 21	<u>Rules of Engagement When Relying on the Purchase, Resale and Marketing Agreement</u> Training materials used with the sales groups to outline the basic rules of engagement that will govern the interaction between Verizon Enterprise Solutions Group and Genuity under the Purchase, Resale and Marketing Agreement	10/00
Genuity	Appendix B, Genuity Conditions	<u>Genuity Obligations Summary and Compliance Oversight for Departmental Coordinators, including Quarterly Reporting Form</u> A series of guidelines were provided for departmental coordinators addressing commercial transactions with Genuity, both long term and transitional, investor safeguards, Genuity independence and governance matters. The guidelines included a requirement for a quarterly report that identifies Genuity Condition compliance	12/28/00

3.3 Training

Communication and training using the above documents has occurred since the merger.

Senior managers received a letter within a week of the merger providing a high level outline of the Genuity Merger Conditions and emphasizing that Genuity is to be treated as an unaffiliated party.

Business owners for transitional contracts received direction on how to execute their obligations. Written letters were sent and individual and group calls were held to reinforce these obligations.

The non-transitional activities were communicated to the Verizon Legal team and to key business owners. The business owners have been asked to provide regular quarterly updates on their departments' Genuity relationship. In addition, they have been directed to report compliance concerns immediately through their counsel.

The Enterprise sales teams attended training sessions, which emphasized Verizon's obligations, particularly under the Purchase, Resale and Marketing Agreement.

3.4 Documentation

Condition	Paragraph	Description of Document
Genuity	Appendix B, Genuity Conditions	Executive Notice on Genuity Obligations
Genuity	Appendix B, Genuity Conditions Sect. V, Para. 22	Rules of Transition
Genuity	Appendix B, Genuity Conditions Sect. V, Para. 22	Billing for Transition Services Procedures
Genuity	Appendix B, Genuity Conditions Sect. V, Para.21	Summary of the Purchase, Resale and Marketing Agreement
Genuity	Appendix B, Genuity Conditions Sect. V, Para. 21	Rules of Engagement When Relying on the Purchase, Resale and Marketing Agreement

Condition	Paragraph	Description of Document
Genuity	Appendix B, Genuity Conditions	Genuity Obligations Summary and Compliance Oversight for Departmental Coordinators, including Quarterly Reporting Form
Genuity	Appendix B, Genuity Conditions Sect. III Para. 16	Genuity's initial Board of Director's named
Genuity	Appendix B, Genuity Conditions Sect. I, Para. 2	Memo certifying that the Class B shares of Genuity held by Verizon constitute 9.5% of Genuity's current equity
Genuity	Appendix B, Genuity Conditions Sect. I, Para. 2	IPO completion
Genuity	Terms in Contract Appendix B, Genuity Conditions Sect. V, Para. 20	Letter to Genuity Treasurer from Verizon stating that Verizon will no longer issue any guaranties in support of real estate lease obligation of Genuity
Genuity	Appendix B, Genuity Conditions Attach. 2	Termination of Master Services Agreement for Monitoring and Services between GTE GNI and GTENS
Genuity	Appendix B, Genuity Conditions Attach. 2	Termination of Real Estate Services Agreement
Genuity	Appendix B, Genuity Conditions Attach 2	Termination of NSAC and NBOC. Termination of Environmental Services. Termination of Uniform security, Investigation services, Consulting services, Forensic services and Background investigations
Genuity	Appendix B, Genuity Conditions Attach 2	Evidence that network monitoring is being provided consistent with Attachment 2 of Appendix B

Section 4: Additional Action Taken

Certain functions were inadvertently omitted from the Computing Infrastructure Services Statement of Work for Genuity at Williams Square in Irving, TX. A corrective amendment to the IT transition services agreement was completed to cover these functions.